

## Message Text

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ACTION FBO-05

INFO OCT-01 NEA-09 ISO-00 A-01 /016 W

----- 024804

R 071500Z APR 75

FM AMEMBASSY ALGIERS

TO SECSTATE WASHDC 2244

LIMITED OFFICIAL USE SECTION 1 OF 2 ALGIERS 0895

E.O. 11652: N/A

TAGS: ABLD, AG

SUBJ: PROPERTY

REF: ALGIERS 692; STATE 70819

1. DCM LYNE AND I CALLED ON CHIEF OF PROTOCOL  
BOUDJAKDJI MORNING MARCH 31 AND DISCUSSED QUESTIONS  
ALGIERS PROPERTIES AS FOLLOWS:

A. MUSTAFA RAIS. WE GAVE BOUDJAKDJI NOTE (TEXT  
BEING POUCHED WEISLOGEL) PROPOSING EXCHANGE OF MUSTAFA  
RAIS PROPERTY FOR OUED AL KILAI, WITH ALGERIAN  
GOVERNMENT TO PAY DIFFERENCE BETWEEN VALUE OF TWO  
PROPERTIES IN 1964 WITH INTEREST SINCE THAT DATE.  
BOUDJAKDJI SAID HE HAD BEEN EXPECTING THIS PROPOSITION  
AND WOULD FORWARD IT TO PRESIDENCY, WHERE SUCH MATTERS  
WERE BEING CONSIDERED. HE DID NOT SAY SO BUT MY GERMAN  
COLLEAGUE TELLS ME HE WAS TOLD BY BOUDJAKDJI THAT  
ALGERIANS ARE GOING TO OFFER US LAND IN PROPOSED DIPLOMATIC  
ENCLAVE AS COMPENSATION FOR MUSTAFA RAIS.

B. VILLA CATHERINE. I ASKED BOUDJAKDJI FOR HIS  
ADVICE AS TO HOW WE SHOULD DEAL WITH NOTE FROM FOREIGN  
MINISTRY DATED MARCH 15 INFORMING US THAT THE  
ALGERIAN GOVERNMENT FOR "RAISONS IMPERIEUSE" WAS GOING  
TO TAKE OVER THE VILLA AT 28 PARC POIRSON NOW OCCUPIED  
BY FIRST SECRETARY KANE UPON LATTER'S DEPARTURE ON TRANSFER.  
I EXPLAINED THAT AT A TIME WHEN WE WERE SEARCHING FOR  
RESIDENCES FOR PROPOSED AUGMENTATION IN OUR STAFF AND  
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HAD BEEN ABLE TO FIND ABSOLUTELY NOTHING THIS MOVE WAS A

SERIOUS BLOW. BOUDJAKDJI SAID HE UNDERSTOOD PERFECTLY BUT THAT THE DECISION HAD BEEN TAKEN AT A VERY HIGH LEVEL IN THE GOVERNMENT. THE ENTIRE AREA AROUND THE KANE HOUSE WAS TO BECOME A SECURITY AREA AND ALL LEASES IN THAT AREA WHETHER HELD BY ALGERIANS OR OTHERS WERE TO BE CANCELLED. HE ADVISED ME TO RAISE THIS MATTER WITH DR. AMIR, SECRETARY GENERAL OF THE PRESIDENCY.

C. USIS PREFAB. I NOTED THAT WE HAD MADE UNSUCCESSFUL EFFORTS TO FIND A LOCATION FOR USIS OUTSIDE THE EMBASSY AND THAT WE HAD IN DESPREATION DECIDED THAT WE WOULD LIKE TO BRING IN A PREFAB BUILDING OF THE LATEST TYPE AND INSTALL IT AT THE OUED AL KILAI PROPERTY. BOUDJAKDJI SAID THIS POSED PROBLEMS AND THAT THIS TOGETHER WITH THE QUESTION OF THE KANE PROPERTY AND THE QUESTION OF MUSTAFA RAIS SHOULD BE RAISED IN A GLOBAL CONTEXT WITH DR. AMIR.

D. I SAID WE ALSO WERE CONSIDERING THE POSSIBILITY OF BUILDING A SMALL APARTMENT BUILDING IN THE LOWER REACHES OF THE MONTFELD PROPERTY. HE SAID AGAIN THIS WOULD HAVE TO BE RAISED WITH DR. AMIR AND THEN WENT ON TO SAY THAT WITHIN NEXT SIX YEARS ALL MISSIONS WOULD HAVE TO MOVE TO THE DIPLOMATIC ENCLAVE AND THAT WHILE CERTAIN EXCEPTIONS COULD PERHAPS BE MADE, THEY WOULD HAVE TO BE MADE AT THE HIGHEST LEVELS BECAUSE IT WAS THE PRESIDENCY ITSELF THAT WAS CONCERNED WITH THIS QUESTION.

2. BOUDJAKDJI THEN GAVE US A BRIEF EXPLANATION OF THE CHART ON HIS WALL SHOWING THE ENCLAVE AND A PROPOSED SUBDIVISION WHICH WOULD PROVIDE SOME 300 BUILDING LOTS, MOST OF THEM RANGING IN SIZE FROM ABOUT 1500 TO 5000 SQUARE METERS. HE SAID THE GOING PRICE WAS LIKELY TO BE 250 DINARS PER SQUARE METER AND THAT THEY HOPED TO HAVE AN OFFICE ON THE SITE IN ABOUT THREE MONTHS TO PERMIT EMBASSIES TO CHOOSE THE LOTS THEY WANTED. I NOTED THAT THE PROPOSED LOTS WOULD NOT BEGIN TO ACCOMMODATE LARGER EMBASSIES LIKE THE FRENCH AND HE SAID THAT MISSIONS COULD ACQUIRE MORE THAN ONE LOT.

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3. I HAVE VISITED THE SITE ALREADY. IT IS A LOW-LYING, FLAT PIECE OF GROUND LYING BETWEEN ALGER PLAGE (CAP MATAFOU) AND THE MAIN HIGHWAY TO TIZI OUZOU. CANALS AND ROADS ARE NOW BEING CONSTRUCTED AND BOUDJAKDJI SAID THEY HOPED TO HAVE AN INITIAL SET OF RESIDENCES AND OFFICES AVAILABLE FOR THOSE EMBASSIES IN DESPERATE STRAITS BY THE BEGINNING OF NEXT YEAR.

4. UNCONNECTED WITH THE ABOVE FOR MOMENT IS CRISIS WHICH HAS ARISEN WITH REGARD OFFICE BUILDING-RESIDENCE AT ORAN. BRIEFLY, FRENCH ARE MAKING CENSUS OF FRENCH-OWNED PROPERTIES TAKEN BY ALGERIANS FOR WHICH NO COMPENSATION HAS BEEN PAID, PRESUMABLY AS PRELIMINARY TO RENEWED PRESENTATION OF GENERAL CLAIM. LANDLORD OF ORAN BUILDING, A FRENCHMAN LIVING IN FRANCE, HAS PUT HIS NAME ON LIST OF THOSE WHO HAVE LOST THEIR PROPERTY. IN POINT OF FACT, WE HAVE BEEN PAYING HIM RENT IN FRENCH FRANCS SINCE 1962. ALGERIANS ALL THIS TIME HAVE ALLEGEDLY BEEN UNDER IMPRESSION THAT WE OWNED BUILDING. SOONER OR LATER, AS FRENCH PROCEED WITH CENSUS, ALGERIANS ARE LIKELY TO AWAKEN TO FACT (IF THEY NOT ALREADY AWARE OF I) THAT WE HAVE BEEN ENGAGED IN ILLEGAL REAL ESTATE OPERATION FOR 13 YEARS. IF THIS OCCURS IT WILL AT LEAST BE EMBARRASING AND IT COULD SERIOUSLY AFFECT OUR OPERATION IN ORAN AS WELL AS DAMAGE OUR CASE ON OTHER PROPERTIES. WE WILL NOT BE COMING INTO COURT WITH CLEAN HANDS. ANOMALOUS SITUATION AT ORAN WAS SOMETHING SIGNED BY INSPECTORS, WHO RECOMMENDED THAT FBO TRY TO PURCHASE PROPERTY FROM OWNER IN FRANCE. WE DOUBT THIS LEGALLY POSSIBLE. UNDER ALGERIAN LAW PROPERTY WAS BIEN VACANT IN 1962 AND SHOULD HAVE BEEN CONVERTED TO BIEN D'ETAT, OR GOA PROPERTY, SOME YEARS BACK.

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ACTION FBO-05

INFO OCT-01 NEA-09 ISO-00 A-01 /016 W

----- 024821

R 071500Z APR 75

FM AMEMBASSY ALGIERS

TO SECSTATE WASHDC 2245

LIMITED OFFICIAL USE SECTION 2 OF 2 ALGIERS 0895

5. CONCLUSION: I PLAN TO SEEK APPOINTMENT WITH DR. AMIR AT PRESIDENCY WITHIN NEXT TWO WEEKS TO FOLLOW-UP ON MUSTAFA RAIS, USIS PREFAB AND EMBASSY APARTMENT BUILDING. AFTER DELIBERATION, HAVE DECIDED NOT TRY TO PRESS VILLA CATHERINE ISSUE AT THIS POINT BECAUSE TO DO SO WOULD CALL ALGERIAN ATTENTION TO FACT KANE NOT

SCHEDULED TO LEAVE UNTIL SUMMER 1976. THIS COULD  
PRECIPITATE DEMAND FROM THEM FOR HIM TO MOVE NOW.

6. WHILE WILL PUT OUR CASE IN STRONGEST TERMS BELIEVE  
ALGERIANS ARE UNLIKELY GIVE US OUED AL KILAI IN EXCHANGE  
FOR MUSTAFA RAIS. TOO MANY PEOPLE HERE WANT THAT PROPERTY.  
WE SHOULD CONTINUE TO OCCUPY IT AS LONG AS WE CAN AND  
RESIST EFFORTS TO MOVE US, BUT WE SHOULD ALSO BE PREPARED  
ACCEPT OTHER PROPERTY. SPECIFICALLY, BELIEVE WE SHOULD  
BE PREPARED CONSIDER SERIOUSLY OFFER OF LAND IN DIPLOMATIC  
ENCLAVE IF IT IS MADE. AT DA 250 PER SQUARE METER IT IS  
OVERPRICED, BUT SO IS EVERYTHING ELSE IN THIS TOWN. AT  
THE 1964 EVALUATION OF 1.3 MILLION DOLLARS FOR MUSTAFA  
RAIS WE COULD GET ROUGHLY 20,000 METERS IN  
ENCLAVE. ONCE WE OWNED PROPERTY, WE COULD PUT CHANCERY  
ON IT IN DUE COURSE AND TRY TO MAINTAIN AMBASSADORIAL  
RESIDENCE AT MONTFELD.

7. ALTERNATIVE WOULD BE TO BUILD OFFICE BUILDING ON  
MONTFELD PROPERTY, WHICH IS SORT OF PROJECT BRITISH HAVE  
IN MIND. THEY TOO OWN RESIDENCE PROPERTY AND RENT  
CHANCERY FROM GOA. I DO NOT THINK WE SHOULD ENCUMBER  
MONTFELD PROPERTY WITH CHANCERY BUILDING.  
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8. OTHER DIPLOMATIC COLLEAGUES WITH WHOM I HAVE  
DISCUSSED PROBLEM HAVE, WITH FEW EXCEPTIONS, TAKEN  
ATTITUDE THAT THERE NO NEED TO GET EXCITED ABOUT  
ALGERIAN PLANS BECAUSE IT WILL BE YEARS BEFORE THEY  
COME TO FRUITION AND THIS WILL BE SOMETHING FOR THEIR  
SUCCESSORS TO WORRY ABOUT. THOSE WHO OWN RESIDENCE OR  
OFFICE PROPERTIES CONFIDENT ALGERIANS WILL NOT BE ABLE  
MOVE THEM OUT. THEY UNINTERESTED IN COMMON ACTION ON  
PROBLEM AT THIS TIME. I PERSONALLY THINK THEY  
LIVING IN FOOL'S PARADISE AND THAT WE SHOULD MOVE IN  
TIMELY FASHION TO GET CHOICE PROPERTY IN ENCLAVE. OTHER-  
WISE WE ARE GOING TO WIND UP WITH LEAVINGS, AND BE  
FORCED MOVE OUR CHANCERY ANYWAY.

9. I THEREFORE SUGGEST THAT FBO AND NEA/EX AGREE ON  
PLAN OF ACTION TO FOLLOW IN LIKELY EVENT WE OFFERED LAND  
IN ENCLAVE, AND BE PREPARED SEND EXPERT OUT HERE ON  
SHORT NOTICE SOME TIME IN NEXT THREE MONTHS TO LOOK AT  
PROPERTY AND AUTHORIZE CHOICE OF SITE.

10. REGARDING ORAN PROPERTY, AM OF TWO MINDS. ONE  
PSSOIBILITY WOULD BE TO GO TO FOREIGN MINISTRY AND  
SAY I HAVE JUST DISCOVERED THIS ANOMALY, AM PROPERLY  
HORRIFIED AND WANT TO CLEAN IT UP AND REQUEST THAT

PROPERTY BE RENTED TO US AS BIEN D'ETAT. OTHER IS THAT  
WE DO NOTHING. IF WE DO  
NOTHING WE SHOULD REALIZE SITUATION LIKELY TO BLOW UP  
IN OUR FACES SOONER OR LATER, MORE LIKELY SOONER,  
GIVEN INCREASED ALGERIAN ATTENTION TO REGULARIZING  
PROPERTY HOLDINGS. SUGGESTIONS WELCOME.  
PARKER

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